

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 904

Introduced by Assembly Member Briggs
(Principal coauthor: Assembly Member Strickland)
(Coauthors: Assembly Members Bill Campbell, Cardoza,
Dickerson, and Hollingsworth)
(Coauthors: Senators Haynes, Margett, and Oller)

February 23, 2001

An act to add Section 6358.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 904, as amended, Briggs. Sales and use taxes: exemptions: thoroughbred horses: breeding stock.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would additionally exempt any thoroughbred horse breeding stock *from the sales and use taxes, except for local sales or transactions and use tax rates and certain state rates imposed for the funding of locally provided services.*

~~Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.~~

~~Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.~~

~~This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.~~

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~yes~~ *no*.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6358.5 is added to the Revenue and
2 Taxation Code, to read:

3 6358.5. (a) There are exempted from the taxes imposed by
4 this part, the gross receipts from the sale in this state of, and the
5 storage, use, or other consumption in this state of, any
6 thoroughbred horse breeding stock.

7 ~~SEC. 2.—Notwithstanding Section 2230 of the Revenue and~~
8 ~~Taxation Code, no appropriation is made by this act and the state~~
9 ~~shall not reimburse any local agency for any sales and use tax~~
10 ~~revenues lost by it under this act.~~

11 ~~SEC. 3.—~~

12 (b) (1) *Notwithstanding any provision of the Bradley-Burns*
13 *Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with*
14 *Section 7200)) or the Transactions and Use Tax Law (Part 1.6*
15 *(commencing with Section 7251)), the exemption established by*
16 *this section does not apply with respect to any tax levied by a*
17 *county, city, or district pursuant to, or in accordance with, either*
18 *of those laws.*

19 (2) *The exemption established by this section does not apply*
20 *with respect to any tax levied pursuant to either Section 6051.2 or*
21 *6201.2, or pursuant to Section 35 of Article XIII of the California*
22 *Constitution.*

23 SEC. 2. This act provides for a tax levy within the meaning
24 of Article IV of the Constitution and shall go into immediate
25 effect. However, the provisions of this act shall become operative

- 1 on the first day of the first calendar quarter commencing more than
- 2 90 days after the effective date of this act.

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